

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DON HARGROVE**, on January 11, 2001 at 10:00 A.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Don Hargrove, Chairman (R)
Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Pete Ekegren (R)
Sen. Jim Elliott (D)
Sen. Eve Franklin (D)
Sen. Ken Toole (D)

Members Excused: Sen. Fred Thomas (R)

Members Absent: None.

Staff Present: Lynette Brown, Committee Secretary
David Niss, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SJ5, SB136, 1/10/2001
Executive Action: SB75, SB89, SB10

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HEARING ON SJ5

Sponsor: SEN. GLENN ROUSH, SD 43, CUT BANK

Proponents: Patricia Crowley, Vietnam Veteran, Robert Thornton, Vietnam Veteran, Mike Hankins, Korean Veteran, Carroll Jenkins, Healthcare Committee Co-Chairman, Hal Manson, American Legion of Montana, Dianne Evans, Vietnam Veterans of America, Dan Antonietti, VFW, Mike Hanshu, Administrator of the Senior and Long-term Care Division of Public Health and Human Services,

Roger Hagan, Officer and Enlisted Association, Daniel Cochran, Disabled American Veterans, Robert Hanson, President of the Local Chapter of Vietnam Veterans, Mike Secrease, VVA, DAV, VFW, Leonard Johnson, VVA, Karolin J. Loendorf, Lewis and Clark County Commissioner, W. Lee Smith, American Legion, Desert Storm Veteran, SEN. MIKE HALLAGAN, SD 34, Brigadier General E. Washburn
Opponents: NONE

Opening Statement by Sponsor: SEN. GLENN ROUSH, SD 43, Cut Bank, introduced SJ5 which is a bill requested by the subcommittee of Military and Veterans Affairs. SJ5 would request the house and senate representative of the State of Montana would have a legislative study of certain veteran's issues urging the appropriate committee and veteran's organizations in the study process which would be continued during the interim of the legislature. **SEN. ROUSH** noted on page 2 there are suggested issues to be studied and worked on that the committee has identified. The Department of Veterans' Affairs and Department of Military Affairs would be included, Department of Public Health and Human Services, and any other groups to work with the committee to help solve any problems and identify problems. The homeless veterans are a big issue to be studied in this committee.

Proponents' Testimony:

Patricia Crowley, Vietnam Veteran, stated that this study will help to facilitate communication between local, state, and federal officials in order to maximize current benefits available and provide information to better able to secure any additional benefits and to care for the veterans in the state of Montana.

Robert Thornton, Vietnam veteran, addressed line item 18 in the resolution. Because of problems associated with medical care communication, insurance coverage at other locations other than the VA center, and the lack of service, the county and state are left to pick up the costs. Frequently, veterans are told they have to go to Salt Lake City or Denver to receive certain services because of cost-saving measures. The costs are being shifted to different VA centers. He discussed a variety of frustrations that the veterans are encountering. **Mr. Thornton** said these examples are reasons why the veteran's organizations should be included in the studies included in SJ5.

Mike Mike Hankins, Korean Veteran, formed the Veteran's Resource Council to address problems faced by veterans. For every need for veterans the group encountered and proposed a solution, many more needs would arise. The Veterans Resource Council was overwhelmed by the large amount of problems the council was

uncovering and attempting to deal with. Because of this situation, the group helped to form SJ5. **Mr. Hankins** expressed frustrations over the federal government's lack of follow-through measures in addressing the problems of veterans. **Mr. Hankins** asked for SJ5 so that a study can be done to help alleviate the problems veteran's face every day.

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Carroll Jenkins, Healthcare Committee Co-Chairman for Chapter 626 VVA, EXHIBIT(sts08a01) briefly discussed the hand-out on health-care issues faced by veterans and their families. The issues include: 1)Eligibility for services, 2)Access to services, 3) Freedom of choice, 4)Least restrictive environment for treatment, 5)Inter-agency agreements, 6)Integrity of records, 7)Hospital priorities vs. Local/statewide priorities, 8)Cost shifting, and 9)Discovery that other legislation before the committee may be pertinent. **Mr. Jenkins** urged acceptance of SJ5.

Hal Manson, American Legion of Montana , approves of SJ5 and stated that this will enable the veteran's organizations to be heard and their problems identified and dealt with.

Dianne Carlson Evans, Vietnam Veterans of America, served as an army nurse. She said that we honor our veterans when we listen to their voices.

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Dan Antonietti, VFW, stated his primary concern is veterans from Kosovo. **Mr. Antonietti** urged protection of the Kosovo veterans.

Mike Hanshu, Administrator of the Senior and Long-term Care Division of Public Health and Human Services, urged acceptance of SJ5.

Roger Hagan, Officer and Enlisted Association, encouraged acceptance of SJ5.

Daniel Cochrane, Disabled American Veterans, expressed deep concern for line #15. **EXHIBIT(sts08a02) Mr. Cochrane** discussed the hand-out that addressed the issue of veteran's mental health files being turned over to groups as a result of the Brady Handgun bill fo 1993. This release of information causes great concern and **Mr. Cochrane** requested that this medical release problem be dealt with.

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Robert Hanson, President of the Local Chapter of Vietnam Veterans, said the Vietnam Veterans group is in favor of SJ5.

Mike Secrease, VVA, DAV, VFW, expressed his support of this bill.

Leonard Johnson, VVA, urged support of SJ5.

Karolin J. Loendorf, Lewis and Clark County Commissioner, encouraged a study on veteran's issues. **Ms. Loendorf** urged passage of this bill and expressed willingness to help in any way she could.

W. Lee Smith, American Legion, Desert Storm Veteran, strongly supports SJ5.

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SEN. MIKE HALLAGAN, SD 34, Missoula, addressed the component of this resolution where it requires a partnership and an interface with the congressional delegation. **SEN. HALLAGAN** explained the importance of this resolution. **EXHIBIT(sts08a03)** **SEN. HALLAGAN** distributed a letter from **SEN. MAX BAUCUS, US Senator**, stating that perhaps some joint hearings would be beneficial in addressing SJ5. **SEN. BAUCUS**, requested in his letter that the "VA seriously address the issues presented, and Dr. Garthwaite and the VA Montana Healthcare System have promised cooperation." If SJR 5 is approved, **SEN. BAUCUS**, stated he will be very willing to report regularly on the ways we can all work to improve the VA system and thus, honor our Montana veterans. **SEN. HALLAGAN** encouraged the participation and attendance of the interim committee members.

Brigadier General E. Washburn, urged passage of SJ5.

Opponents' Testimony: None

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Questions from Committee Members and Responses:

SEN. BOHLINGER asked **SEN. ROUSH** if a study of this sort would help indicate the problems and provide better health care for the veterans? **SEN. ROUSH** replied that, yes, this would provide better services for the veterans.

SEN. FRANKLIN expressed to **SEN. ROUSH** concern about the release of medical records. **SEN. ROUSH** stated that this concern expresses the need for a study of the veteran's issues. **Daniel Cochrane** reported that 89,000 files have been turned over

already. **SEN. FRANKLIN** said she would be interested in learning more about the medical release issue.

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Closing by Sponsor: **SEN. GLENN ROUSH** closed on SJ5.

HEARING ON SB 136

Sponsor: **SEN. ROYAL JOHNSON, SD5, Billings**

Proponents: **Maureen Rude, Ronda Carpenter**

Opponents: **Mark Simonich, Department of Commerce**

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Opening Statement by Sponsor: **SEN. ROYAL JOHNSON** introduced SB136. **SEN. JOHNSON** stated that he has been working with the staff at the Board of Housing and its members on some problems. This bill asks for the ability of the Board of Housing to hire the director of the unit.

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Proponents' Testimony:

Bob Thomas, Chairman of the Board, stated that the Board of Housing wants to be able to compensate their people better; he said that the turn-over rate of employees is a big problem. **Mr. Thomas** wants to be able to exempt FIVE positions from the present pay scale in order to increase the pay scale for those FIVE positions to improve retention of those positions.

Ronda Carpenter EXHIBIT(sts08a04) explained the Housing Division diagram hand-out which also listed pay-comparisons with other states. **Ms. Carpenter** shared concern about how the Board of Housing trains employees only to have the employees leave to work elsewhere to make more money. The Board of Housing wants to be able to hire these employees and pay the employees a high enough salary to retain the employees.

Maureen Rude, former employee of the Board of Housing, reported that the Board of Housing is nationally rated. If there is a high turn-over rate, the Board is not looked favorably upon. If the rating agencies begin to question the turn-over rate, the agencies evaluation can affect the bond ratings which could affect the rates the bonds sell for and the loans that are made to the people of Montana. **Ms. Rude** expressed concern about the

low salary offered to the employees of the Board of Housing. **Ms. Rude** herself left the Board of Housing because of low pay.

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Opponents' Testimony:

Mark Simonich, Director of the Department of Commerce, reported that he was opposing the bill on the behalf of the Department of Commerce as well as on behalf of Gov. Martz. This bill creates five exempt positions for the Board of Housing. This is a bill of administrative function, but the department has to provide the funding. **Mr. Simonich** stated that the pay plan and classification system doesn't compete with the private sector or with federal agencies. **Mr. Simonich** said that this problem can also relate to many other departments in state government. **Mr. Simonich** expressed that it is bad policy to go in the direction of this bill. While this bill creates five exempt positions that in addition from being exempt from normal pay plan classification criteria, those positions also serve at the pleasure of the board. Those positions would no longer be classified or have the "property rights" to that job.

Questions from Committee Members and Responses:

SEN. BOHLINGER asked **SEN. JOHNSON** if the Board of Housing us under a separate pay plan? **SEN. JOHNSON** replied that the Board of Housing is currently under the state pay plan. This bill would exempt five of Board of Housing positions from the state pay plan and the other positions would remain under the state pay plan. **SEN. JOHNSON** stated that we can't keep losing this staff.

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SEN. TOOLE asked **Mr. Thomas** what the turn-over has been in the past five years. **Mr. Thomas** replied that there has been one new director in the past five years.

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SEN. TOOLE asked **SEN. JOHNSON** if the exempt positions employees would lose their property rights in employment, if they would lose access to the grievance policies in state government? **SEN. JOHNSON** replied that no, the Board of Housing did not address those concerns to him.

SEN. ELLIOTT asked **Mark Simonich** if it would be better to fix this problem globally instead in pieces? **Mr. Simonich** answered that it would be very appropriate to fix these problems globally.

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SEN. HARGROVE asked **Mark Simonich** if morale or efficiency would be the main consideration? **Mr. Simonich** replied that morale is an issue, but pay incentives are the bigger issue. When one position gets a pay increase, there will be a trickle effect from this. The employee next to the employee who received a pay incentive gets upset and wonders why they cannot receive the same pay increase?

SEN. EKEGREN asked **SEN. JOHNSON** who these five exempted positions would work for? The state or whom? **Mr. Simonich** stated that those positions would still work for the state. It would deal strictly with their pay scale.

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SEN. BOHLINGER asked **Mark Simonich** if the Board of Housing has the authority or financial ability to offer more competitive wage? **Mr. Simonich** replied that yes, they have the authority, but was unsure if the funds were available.

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Closing by Sponsor: **SEN. ROYAL JOHNSON** closed on SB136. **SEN. JOHNSON** said that the past history of the Board of Housing is outstanding.

EXECUTIVE ACTION ON SB75

Motion/Vote: **SEN. BOHLINGER** moved that **SB75 DO PASS**. Motion carried unanimously.

EXECUTIVE ACTION ON SB89

Motion/Vote: **SEN. FRANKLIN** moved that **SB89 DO PASS**. Motion carried unanimously.

EXECUTIVE ACTION ON SB10

Motion/Vote: **SEN. FRANKLIN** moved that **SB10 DO PASS**. Motion carried unanimously.

ADJOURNMENT

Adjournment: 12:00 A.M.

SEN. DON HARGROVE, Chairman

LYNETTE BROWN, Secretary

DH/LB

EXHIBIT (sts08aad)